Project Budgeting and Financial Risk Training Course: Baselines, Reserves and Cash Exposure

28 March – 1 April 2027
Kuala Lumpur

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Programme Summary

Project budgeting and financial risk is the subject of this one-week training course for project directors, project controls leads and finance partners, taught at managerial level and ending in a budget and risk file for one live project. Projects overrun when baselines hide uncertainty, reserves follow habit and cash needs surface late. The programme moves from the cost baseline to risk diagnosis, reserve design, cash exposure and reporting, using prepared records from construction and technology projects. Mars Training Centre UK delivers this programme on project budgeting and financial risk to mixed-organisation cohorts.

The Business Case

Sponsors who can trace a budget from scope to reserve and cash forecast can approve funding with clear limits and explain variances. Where reserves are a flat percentage and exposure is reviewed only at gates, overruns surface late and funding requests arrive without evidence. Finance partners then reopen settled figures late in delivery, which delays decisions. The programme works on the measures below.

- Cost Forecast Accuracy: Improves when the baseline, earned value measures and risk data are reconciled each period.
- Reserve Adequacy: Rises when contingency is sized from identified risks and management reserve is governed separately.
- Funding Shortfall Exposure: Falls when cash flow forecasts are tested against payment delay and price movement.

Principles and Evidence Base

- ISO 21508 Earned Value Management: An international standard that defines planned value, earned value and actual cost, applied in Session 3 to read performance.
- ISO 31000 Risk Management: International principles and process for managing risk, applied in Session 2 to structure financial risk identification and analysis.
- Cost Baseline from a Work Breakdown Structure: A budgeting practice applied in Session 1 to tie each line to scope.
- Contingency and Management Reserve Practice: A distinction between reserves for identified and unidentified risks, applied in Session 3 to size each.

Intended Participants

- Project directors who answer for approved budgets and funding requests.
- Project controls leads who maintain baselines, forecasts and change records.
- Finance partners who review project cost, cash and reserve positions.
- Sponsors and PMO heads who challenge forecasts and release funding.

Typical settings include construction, energy and technology organisations.

Learning Outcomes

1. Participants will be able to construct a cost baseline from a work breakdown structure with stated assumptions.
2. Participants will be able to diagnose financial risks such as cost overrun, price escalation, currency movement and payment delay.
3. Participants will be able to evaluate cost and schedule performance using earned value measures.
4. Participants will be able to design contingency and management reserves with clear release rules.
5. Participants will be able to prioritise cash exposure using a cash flow forecast tested against the baseline.
6. Participants will be able to justify budget changes and risk responses in a sponsor report.

Programme Structure

Day 1: Cost Baseline and Budget Structure

How is a project budget built so that every line traces to scope?

- Work Breakdown Structure Cost Mapping
- Estimate Basis and Assumption Register
- Cost Baseline Phasing Table
- Budget Approval and Funding Gate Map
- Change Control Log for Budget Movements

Day 2: Project Financial Risk Diagnosis

How are financial risks identified, analysed and ranked?

- ISO 31000 Risk Process Walk-Through
- Financial Risk Register Build
- Cost Overrun Drivers
- Currency Movement and Payment Delay Scenarios
- Probability and Impact Ranking Matrix

Day 3: Reserves and Performance Measures

How are reserves sized, and how is performance read against the baseline?

- Contingency Reserve Sizing from Identified Risks
- Management Reserve Governance Rules
- Planned Value, Earned Value and Actual Cost Table
- Cost and Schedule Variance Table
- Estimate at Completion Comparison

Day 4: Cash Exposure and Reporting

How does a cost forecast become a cash requirement that a sponsor can fund?

- Cash Flow Forecast Against the Baseline
- Funding Shortfall Stress Test
- Payment Terms and Delay Sensitivity
- Exposure Dashboard Design
- Sponsor Variance Report Structure

Day 5: Budget and Risk File for One Project

Do the earlier results join into a file that a sponsor can approve?

- Applying the Session 1 Cost Baseline
- Testing the Session 2 Risk Register
- Checking the Session 3 Reserve Sizing
- Reconciling the Session 4 Cash Forecast
- Completing the Budget and Risk File

Methodology

The programme is a data workshop built on prepared project records from a construction programme and a technology programme: work breakdown structures, estimates, risk registers, progress data and payment schedules. Participants calculate baselines, reserves and variances, forecast cash and defend conclusions to peers acting as a project board.

- Suggested activity: Rebuilding a cost baseline from an estimate sheet.
- Suggested activity: Sizing a contingency reserve from a ranked financial risk register.
- Suggested activity: Presenting a cash shortfall to a simulated sponsor.

Capstone Output

Each participant completes a budget and risk file for one live project, holding a cost baseline, a financial risk register, a reserve proposal, a cash flow forecast with stress cases and a draft sponsor report. At work the file supports the next funding gate and serves as a template for other projects.

Frequently Asked Questions

Is project budgeting and financial risk suitable for managers who have not built reserve models?

Yes. Project budgeting and financial risk is taught from prepared records and templates. You need responsibility for a project budget or funding review, but no modelling background.

Which standards does project budgeting and financial risk rest on in this programme?

Project budgeting and financial risk here rests on ISO 21508 for earned value management and ISO 31000 for risk management, with a work breakdown structure baseline and reserve practice.

How is the file from project budgeting and financial risk used at work?

You take the budget and risk file to your sponsor at the next funding gate, reuse its register and cash forecast on other projects and use its report draft as a template.